

79 00601 Legal Doc

San Diego Unified School District  
Public School Building Corporation  
Bonds, Series C

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\*Note: Documents are in proposed form as of July 29, 1977 and are subject to modification and completion before execution.

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SAN DIEGO UNIFIED SCHOOL DISTRICT  
PUBLIC SCHOOL BUILDING CORPORATION

and

CALIFORNIA FIRST BANK

*Trustee*

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**Third Supplemental Indenture**

Dated as of September 1, 1977

*(Supplemental to Indenture dated as of July 1, 1975 between San Diego Unified School District Public School Building Corporation and Southern California First National Bank, California First Bank having succeeded Southern California First National Bank as trustee under said indenture)*

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\$17,110,000

SAN DIEGO UNIFIED SCHOOL DISTRICT  
PUBLIC SCHOOL BUILDING CORPORATION BONDS,  
SERIES C

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**THIS THIRD SUPPLEMENTAL INDENTURE**, made and entered into as of the first day of September, 1977, by and between SAN DIEGO UNIFIED SCHOOL DISTRICT PUBLIC SCHOOL BUILDING CORPORATION, a nonprofit corporation organized and existing under and by virtue of the laws of the State of California, and having its principal place of business in the County of San Diego in said State (herein called the "Corporation"), party of the first part, and CALIFORNIA FIRST BANK, a banking corporation organized and existing under and by virtue of the laws of the State of California, having a principal office in the City of San Diego, County of San Diego, State of California, and being qualified to accept and administer the trusts hereby created (herein called the "Trustee"), party of the second part (being supplemental to the Indenture, dated as of July 1, 1975, between the Corporation and Southern California First National Bank, California First Bank having succeeded Southern California First National Bank as trustee under the Indenture).

WITNESSETH:

WHEREAS, the San Diego Unified School District (herein called the "District") is the owner of certain real property more particularly described in Exhibit A attached hereto and made a part hereof;

WHEREAS, at an election held in the District on November 5, 1974, the electors of the District approved by a majority vote the following ballot proposition:

Shall the Governing Board of the San Diego Unified School District purchase sites (where the sites are not presently owned by the District), prepare plans and specifications and lease buildings and facilities to be constructed for use by the school district consisting of the hereinafter specified fully furnished, equipped and landscaped new school facilities to be located on the following sites:

15 Elementary Schools

Chesterton—at 7335 Wheatley St. (Linda Vista area)

Dailard—on Cibola Rd. between Laurelridge Rd. and Cabaret St. (San Carlos area)

Ericson—at 11174 Westonhill Dr. (Mira Mesa area)

Green—at 6665 Belle Glade Ave. (San Carlos area)



Hickman—at 7865 New Salem St. (Mira Mesa area)

Mason—at 8530 Gold Coast Dr. (Mira Mesa area)

Miramar Ranch—at 10890 Red Cedar Dr. (Miramar Ranch area)

Miramar Ranch No. 2—on Avenida Magnifica at Mesa Madera Dr. (Miramar Ranch area)

Penn—on Dusk Dr. at Omega Dr. (California Terraces area)

Sandburg—at 11247 Ave. del Gato (Mira Mesa area)

Tierrasanta—at 5450 La Cuenta Dr. (Tierrasanta area)

Tierrasanta No. 2—on a site to be located North of Clairemont Mesa Blvd., West of Antigua Blvd., South of Proposed Freeway Route 52 and East of State Route 15 (Tierrasanta area)

Tierrasanta No. 3—on a site to be located East of Santo Rd., South of Tierrasanta Blvd. and North of the San Diego River (Tierrasanta area)

University City—on a site to be located South of La Jolla Village Rd., East of I-5, West of proposed Regents Rd., and North of A.T. & S.F. Railroad (University City area)

Walker—at 10620 Black Mountain Rd. (Mira Mesa area)

#### Junior High School

Standley—on Governor Dr. at Radcliff Dr. (University City area)

#### 2 Junior-Senior High Schools

Mira Mesa—on Reagan Rd. between Mira Mesa Blvd. and Camino Ruiz Blvd. (Mira Mesa area)

Tierrasanta—on Tierrasanta Blvd. at Santo Rd. (Tierrasanta area)

### Senior High School

University City—on Genesee Ave. at A.T. & S.F. Railroad  
(University City area)

### 3 Career Education Center Additions

Located at Crawford High School—4191 55th Street

Located at Kearny High School—7651 Wellington Street

Located at Mission Bay High School—2475 Grand Avenue

And, for such purposes, shall the maximum tax rate of the District be increased by not to exceed thirty-eight and three-tenths cents (38.3¢) for each \$100 of assessed valuation, such increase to be in effect in the San Diego Unified School District for the years 1975-76 to 2002-03, be authorized and the amount of such increase used solely and exclusively for such purposes, the District reserving the right to lease less than all of the proposed buildings if circumstances shall so require?

WHEREAS, pursuant to and in accordance with Sections 39300 et seq. of the Education Code of the State of California, and other applicable laws of the State of California, the governing board of the District heretofore determined to lease said real property to the Corporation upon the condition that the Corporation construct thereon for sublease back to the District for the use of the District during the term thereof the hereinafter listed public school facilities, together with parking, site development, landscaping, utilities, equipment and appurtenant and related facilities (herein called "Project Phase III"):

<u>Public School Facility</u>	<u>Location in the City of San Diego</u>
Tierrasanta No. 2 (Vista Grande) Elementary School .....	5606 Antigua Blvd. (North of Claremont Mesa Blvd., West of Antigua Blvd., South of Proposed Freeway Route 52 and East of State Route 15)
University City (Zeta O. Doyle) Elementary School .....	Berino Ct. and Regents Rd. (South of La Jolla Village Rd., East of I-5, West of Regents Rd. and North of A.T. & S.F. Railroad)
Tierrasanta No. 3 (Jean Farb) Elementary School .....	LaCuenta Drive (East of Santo Rd., South of Tierrasanta Blvd. and North of the San Diego River)
Miramar Ranch No. 2 (Chauncy I. Jerabek) Elementary School .....	on Avenida Magnifica at Mesa Madera Dr.
Career Center at Mission Bay High School .....	2475 Grand Avenue
Career Center at Kearny High School ..	7651 Wellington Street



WHEREAS, the Corporation has been formed for the purpose of rendering financial assistance to the District by financing and constructing public school buildings and facilities for the District; the District has leased said real property to the Corporation by a lease, dated as of September 1, 1977 (herein called the "Site Lease (Project Phase III)"), and the Corporation has agreed to construct and complete Project Phase III thereon and has leased said real property and Project Phase III to be constructed thereon to the District by a lease, dated as of September 1, 1977 (herein called the "Facility Lease (Project Phase III)");

WHEREAS, the Corporation has not made, and does not intend to make, any profit by reason of any business or venture in which it may engage or by reason of the construction of the Project (as defined in the indenture hereafter mentioned) and no part of the Corporation's net earnings, if any, will ever inure to the benefit of any person except the District;

WHEREAS, all of the issued and outstanding membership certificates of the Corporation are beneficially owned by the District pursuant to a declaration of trust, dated as of July 1, 1975, executed by Southern California First National Bank, as trustee thereunder, by the terms of which said trustee has declared and acknowledged that it holds the title to all of the issued and outstanding membership certificates of the Corporation in trust for the District;

WHEREAS, the Corporation has heretofore executed and delivered to Southern California First National Bank its indenture, dated as of July 1, 1975 (herein called the "Indenture");

WHEREAS, the Trustee has succeeded to all rights and obligations of Southern California First National Bank as trustee under said declaration of trust and under the Indenture, and is presently acting as trustee thereunder;

WHEREAS, the Corporation has heretofore authorized the issuance of the San Diego Unified School District Public School Building Corporation Bonds, to be issued under the Indenture in such series as from time to time shall be established and authorized by the board of directors of the Corporation, and the Corporation has heretofore issued Bonds of Series A in the aggregate principal



amount of thirty-seven million two hundred fifty thousand dollars (\$37,250,000) and Bonds of Series B in the aggregate principal amount of thirty-five million dollars (\$35,000,000) pursuant to the Indenture;

WHEREAS, the Indenture provides that the Corporation may by supplemental indenture establish one or more other series of Bonds, and that the Corporation may issue and the Trustee may authenticate and deliver Bonds of any series so established, in such principal amount as shall be determined by the Corporation, upon compliance with the provisions, and subject to the conditions, in that regard set forth in the Indenture;

WHEREAS, the Corporation has determined that Bonds of Series C in the principal amount of seventeen million one hundred ten thousand dollars (\$17,110,000) should be issued pursuant to the Indenture, and the conditions precedent to the issuance of such Bonds of Series C, as set forth in the Indenture, have been satisfied or will be satisfied at the time of issuance of said Bonds of Series C;

WHEREAS, the coupon Bonds of Series C, the interest coupons to be attached thereto, the form of Trustee's certificate of authentication to appear thereon, the fully registered Bonds of Series C, and the forms of Trustee's certificate of authentication and registration, corresponding coupon bond endorsement and assignment to appear thereon, are to be in substantially the following forms, respectively, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture:

[FORM OF COUPON BOND OF SERIES C]

\$5,000

No. C.....

SAN DIEGO UNIFIED SCHOOL DISTRICT  
PUBLIC SCHOOL BUILDING CORPORATION BOND  
SERIES C

SAN DIEGO UNIFIED SCHOOL DISTRICT PUBLIC SCHOOL BUILDING CORPORATION, a nonprofit corporation organized and existing under and by virtue of the laws of the State of California (herein called the "Corporation"), for value received, hereby promises to pay to the bearer hereof, on July 1, ....., the principal sum of Five Thousand Dollars (\$5,000) in lawful money of the United States of America;

and to pay interest thereon in like money from the date hereof until payment of such principal sum, at the rate of ..... per cent (....%) per annum, payable on July 1, 1978 and semiannually thereafter on January 1 and July 1 in each year, but only, in the case of interest due on or before maturity, upon presentation and surrender, and according to the tenor, of the respective interest coupons hereto annexed as they severally mature. Both the principal hereof and interest hereon are payable at the principal office of California First Bank (herein called the "Trustee"), in the City of San Diego, County of San Diego, State of California, or, at the option of the holder, at the principal offices of the paying agents in New York, New York, in Chicago, Illinois, in San Francisco, California, or in Los Angeles, California.

This Bond is one of a duly authorized issue of bonds of the Corporation designated as the "San Diego Unified School District Public School Building Corporation Bonds" (herein called the "Bonds"), unlimited in aggregate principal amount, except as otherwise provided in the Indenture hereinafter mentioned, of the series and designation indicated on the face hereof, which issue of Bonds consists or may consist of one or more series, of varying dates, numbers, interest rates and other provisions, all issued under and equally secured by an indenture (herein called the "Indenture"), dated as of July 1, 1975, between the Corporation and Southern California First National Bank, as amended, the Trustee being the successor to Southern California First National Bank as trustee under the Indenture. The Bonds are general obligations of the Corporation secured by a lien on the leasehold interest of the Corporation in certain real property, as set forth in the Indenture (and in a first supplemental indenture, dated as of October 1, 1975, between the Corporation and the Trustee and in a third supplemental indenture, dated as of September 1, 1977, between said parties), and on the Revenues, as defined in the Indenture. Additional bonds may be issued on a parity with the Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture and all indentures supplemental thereto for a description of the rights thereunder of the bearers and registered owners of the Bonds and the bearers of the appurtenant coupons, of the nature and extent of the security, of the rights, duties and immunities of the Trustee and of



the rights and obligations of the Corporation thereunder, to all of the provisions of which Indenture the bearer of this Bond, by acceptance hereof, assents and agrees.

The Indenture contains provisions permitting the Corporation and the Trustee, with the consent of the holders of not less than sixty per cent (60%) in aggregate principal amount of the Bonds at the time outstanding, evidenced as in the Indenture provided, to execute supplemental indentures adding any provisions to, or changing in any manner, or eliminating any of the provisions of, the Indenture; provided, however, that no such supplemental indenture shall (1) extend the fixed maturity of this Bond or reduce the rate of interest hereon or extend the time of payment of interest, or reduce the amount of the principal hereof, or reduce any premium payable on the redemption hereof, without the consent of the holder hereof, or (2) reduce the aforesaid percentage of holders of Bonds whose consent is required for the execution of such supplemental indentures, or permit the creation of any lien on the trust estate prior to or on a parity with the lien of the Indenture (except as expressly permitted therein) or deprive the holders of the Bonds of the lien created by the Indenture upon the trust estate (except as expressly permitted by the Indenture), without the consent of the holders of all Bonds then outstanding.

The Corporation shall have the right, at the times and under the circumstances prescribed in the Indenture, to redeem Bonds of Series C at the principal amount thereof plus accrued interest to the date of redemption through the application of proceeds of insurance and eminent domain proceedings. Bonds of Series C due on or before July 1, 1987 are not otherwise subject to redemption before their respective stated maturities. Bonds of Series C due on or after July 1, 1988 are also subject to redemption prior to their respective stated maturities, at the option of the Corporation, as a whole, or in part in inverse order of maturities and by lot within any such maturity if less than all of the Bonds of Series C of such maturity be redeemed, from any source of available funds, on any interest payment date on or after July 1, 1987, at the principal amount thereof and accrued interest thereon to the date fixed for redemption, plus (if such redemption shall occur on or before July 1, 1995) a premium of one-

fourth of one per cent ( $\frac{1}{4}$  of 1%) of such principal amount for each whole year or fraction thereof remaining between the date fixed for redemption and their respective stated maturities (no premium being payable if such redemption shall occur on or after January 1, 1996).

As provided in the Indenture, notice of redemption shall be given by publication at least once in a financial newspaper or journal, printed in the English language, customarily published on each business day and circulated in Los Angeles, California, such publication to be not less than thirty nor more than sixty days before the redemption date.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption, and coupons for such interest subsequently maturing shall be void.

If an event of default, as defined in the Indenture, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture. The Indenture provides that in certain events such declaration and its consequences may be rescinded by the holders of at least sixty per cent (60%) in aggregate principal amount of the Bonds then outstanding.

The Bonds are issuable as coupon Bonds in the denomination of \$5,000 and as fully registered Bonds without coupons in denominations of \$5,000 and any authorized multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Indenture, fully registered Bonds may be exchanged for a like aggregate principal amount of coupon Bonds of the same series and maturity or for a like aggregate principal amount of fully registered Bonds of the same series and maturity of other authorized denominations, and coupon Bonds may be exchanged for a like aggregate principal amount of fully registered Bonds of the same series and maturity of authorized denominations.

This Bond and the coupons appertaining hereto are negotiable and transferable by delivery, and the Corporation and the Trustee and any Paying Agent may treat the bearer hereof, or the bearer of any coupon appertaining hereto, as the absolute owner hereof or of such coupon, as the case may be, for all purposes, whether or not this Bond or such coupon shall be overdue, and the Corporation



and the Trustee and the Paying Agents shall not be affected by any notice to the contrary.

No recourse shall be had for the payment of the principal of or the interest on this Bond or for any claim based hereon or otherwise in respect hereof, or based on or in respect of the Indenture or any indenture supplemental thereto, against any incorporator, member, director or officer, as such, past, present or future, of the Corporation or of any predecessor or successor corporation, either directly or through the Corporation or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability being by the acceptance hereof and as part of the consideration for the issue hereof expressly waived and released, as provided in the Indenture.

Neither this Bond nor any coupons appertaining hereto shall be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been signed by the Trustee.

IN WITNESS WHEREOF, San Diego Unified School District Public School Building Corporation has caused this Bond to be executed on its behalf by its President, and its corporate seal to be reproduced hereon and attested by its Secretary, and has caused coupons for interest bearing the signature of its Treasurer to be attached hereto, all as of September 1, 1977.

SAN DIEGO UNIFIED SCHOOL DISTRICT PUBLIC SCHOOL BUILDING CORPORATION

By

\_\_\_\_\_  
*President*

(Seal)

Attest:

\_\_\_\_\_  
*Secretary*

## [FORM OF INTEREST COUPON]

SAN DIEGO UNIFIED SCHOOL DISTRICT  
 PUBLIC SCHOOL BUILDING CORPORATION, on ..... 1, .....,  
 unless the Bond herein mentioned shall have  
 been called for previous redemption and pay-  
 ment thereof made or duly provided for, will  
 pay to bearer at the principal office of  
 CALIFORNIA FIRST BANK, in SAN DIEGO, CALI-  
 FORNIA, or, at the option of the holder, at the  
 principal offices of the paying agents in New  
 York, New York, Chicago, Illinois, San Fran-  
 cisco, California, or Los Angeles, California,  
 upon surrender hereof, the sum set forth  
 herein in lawful money of the United States \$.....  
 of America, being interest then due upon  
 its San Diego Unified School District Public  
 School Building Corporation Bond, Series C,  
 dated as of September 1, 1977, No. C.....

Coupon No. ....

\_\_\_\_\_  
*Treasurer*

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION  
 TO APPEAR ON COUPON BONDS]

This is one of the Bonds described in the within-mentioned  
 Indenture.

CALIFORNIA FIRST BANK,  
*Trustee*

By

\_\_\_\_\_  
*Authorized Officer*



[FORM OF FULLY REGISTERED BOND OF SERIES C]

No. CR.....

SAN DIEGO UNIFIED SCHOOL DISTRICT  
PUBLIC SCHOOL BUILDING CORPORATION  
BOND, SERIES B

SAN DIEGO UNIFIED SCHOOL DISTRICT PUBLIC SCHOOL BUILDING CORPORATION, a nonprofit corporation organized and existing under and by virtue of the laws of the State of California (herein called the "Corporation"), for value received, hereby promises to pay to ..... or registered assigns, on July 1, ....., the principal sum of ..... Thousand Dollars (\$.....) in lawful money of the United States of America; and to pay interest thereon in like money from the interest payment date next preceding the date of authentication of this Bond (unless this Bond is authenticated on an interest payment date, in which event it shall bear interest from such date of authentication, or unless this Bond is authenticated prior to July 1, 1978, in which event it shall bear interest from September 1, 1977) until payment of such principal sum, at the rate of ..... per cent (.....%) per annum, payable on July 1, 1978 and semiannually thereafter on January 1 and July 1 in each year. Both the principal hereof and interest hereon are payable at the principal office of California First Bank (herein called the "Trustee"), in the City of San Diego, County of San Diego, State of California.

This Bond is one of a duly authorized issue of bonds of the Corporation designated as the "San Diego Unified School District Public School Building Corporation Bonds" (herein called the "Bonds"), unlimited in aggregate principal amount, except as otherwise provided in the Indenture hereinafter mentioned, of the series and designation indicated on the face hereof, which issue of Bonds consists or may consist of one or more series, of varying dates, numbers, interest rates and other provisions, all issued under and equally secured by an indenture (herein called the "Indenture"), dated as of July 1, 1975, between the Corporation and Southern California First National Bank, as amended, the Trustee being the successor to Southern California First National Bank as trustee

under the Indenture. The Bonds are general obligations of the Corporation secured by a lien on the leasehold interest of the Corporation in certain real property, as set forth in the Indenture (and in a first supplemental indenture, dated as of October 1, 1975, between the Corporation and the Trustee and in a third supplemental indenture, dated as of September 1, 1977, between said parties), and on the Revenues, as defined in the Indenture. Additional bonds may be issued on a parity with the Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture and all indentures supplemental thereto for a description of the rights thereunder of the bearers and registered owners of the Bonds and the bearers of the appurtenant coupons, of the nature and extent of the security, of the rights, duties and immunities of the Trustee and of the rights and obligations of the Corporation thereunder, to all of the provisions of which Indenture the registered owner of this Bond, by acceptance hereof, assents and agrees.

The Indenture contains provisions permitting the Corporation and the Trustee, with the consent of the holders of not less than sixty per cent (60%) in aggregate principal amount of the Bonds at the time outstanding, evidenced as in the Indenture provided, to execute supplemental indentures adding any provisions to, or changing in any manner, or eliminating any of the provisions of, the Indenture; provided, however, that no such supplemental indenture shall (1) extend the fixed maturity of this Bond or reduce the rate of interest hereon or extend the time of payment of interest, or reduce the amount of the principal hereof, or reduce any premium payable on the redemption hereof, without the consent of the holder hereof, or (2) reduce the aforesaid percentage of holders of Bonds whose consent is required for the execution of such supplemental indentures, or permit the creation of any lien on the trust estate prior to or on a parity with the lien of the Indenture (except as expressly permitted therein) or deprive the holders of the Bonds of the lien created by the Indenture upon the trust estate (except as expressly permitted by the Indenture), without the consent of the holders of all Bonds then outstanding.

The Corporation shall have the right, at the times and under the circumstances prescribed in the Indenture, to redeem Bonds of Series



C at the principal amount thereof plus accrued interest to the date of redemption through the application of proceeds of insurance and eminent domain proceedings. Bonds of Series C due on or before July 1, 1987 are not otherwise subject to redemption before their respective stated maturities. Bonds of Series C due on or after July 1, 1988 are also subject to redemption prior to their respective stated maturities, at the option of the Corporation, as a whole, or in part in inverse order of maturities and by lot within any such maturity if less than all of the Bonds of Series C of such maturity be redeemed, from any source of available funds, on any interest payment date on or after July 1, 1987, at the principal amount thereof and accrued interest thereon to the date fixed for redemption, plus (if such redemption shall occur on or before July 1, 1995) a premium of one-fourth of one percent ( $\frac{1}{4}$  of 1%) of such principal amount for each whole year or fraction thereof remaining between the date fixed for redemption and their respective stated maturities (no premium being payable if such redemption shall occur on or after January 1, 1996).

As provided in the Indenture, notice of redemption shall be given by publication at least once in a financial newspaper or journal, printed in the English language, customarily published on each business day and circulated in Los Angeles, California, such publication to be not less than thirty nor more than sixty days before the redemption date. Notice of redemption hereof shall also be mailed, not less than thirty nor more than sixty days prior to the redemption date, to the registered owner of this Bond, but neither failure to mail such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

If an event of default, as defined in the Indenture, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture. The Indenture provides that in certain events such declaration and its consequences may be rescinded by the holders of at least sixty per cent (60%) in aggregate principal amount of the Bonds then outstanding.

The Bonds are issuable as coupon Bonds in the denomination of \$5,000 and as fully registered Bonds without coupons in denominations of \$5,000 and any authorized multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Indenture, fully registered Bonds may be exchanged for a like aggregate principal amount of coupon Bonds of the same series and maturity or for a like aggregate principal amount of fully registered Bonds of the same series and maturity of other authorized denominations, and coupon Bonds may be exchanged for a like aggregate principal amount of fully registered Bonds of the same series and maturity of authorized denominations.

This Bond is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at said office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new fully registered Bond or Bonds without coupons, of the same series and maturity and of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange herefor.

The Corporation and the Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, and the Corporation and the Trustee shall not be affected by any notice to the contrary.

No recourse shall be had for the payment of the principal of or the interest on this Bond or for any claim based hereon or otherwise in respect hereof, or based on or in respect of the Indenture or any indenture supplemental thereto, against any incorporator, member, director or officer, as such, past, present or future, of the Corporation or of any predecessor or successor corporation, either directly or through the Corporation or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability being by the acceptance hereof and as part of the consideration for the issue hereof expressly waived and released, as provided in the Indenture.

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been signed by the Trustee.

IN WITNESS WHEREOF, San Diego Unified School District Public School Building Corporation has caused this Bond to be executed on its behalf by its President, and its corporate seal to be reproduced hereon and attested by its Secretary, all as of September 1, 1977.

SAN DIEGO UNIFIED SCHOOL DISTRICT PUBLIC SCHOOL BUILDING CORPORATION

By

*President*

(Seal)

Attest:

*Secretary*

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION  
AND REGISTRATION TO APPEAR ON REGISTERED BONDS]

This is one of the Bonds described in the within-mentioned Indenture and authenticated and registered .....

CALIFORNIA FIRST BANK,

*Trustee*

By

*Authorized Officer*



## [FORM OF CORRESPONDING COUPON BOND ENDORSEMENT]

*Notice: No writing below except by the Trustee*

This Registered Bond is issued in lieu of or in exchange for Coupon Bond(s) of this issue, series, interest rate and maturity, numbered .....

.....,  
in the denomination of \$5,000 each not contemporaneously outstanding aggregating the face value hereof; and Coupon Bond(s) of this issue and series and of the same interest rate and maturity aggregating the face value hereof [and bearing the above serial number(s) which has (have) been reserved for such Coupon Bond(s)] will be issued in exchange for this Registered Bond and upon surrender and cancellation thereof and upon payment of charges, all as provided in the within-mentioned Indenture.

## [FORM OF ASSIGNMENT]

For value received the undersigned do(es) hereby sell, assign and transfer unto ..... the within-mentioned Registered Bond and hereby irrevocably constitute and appoint ..... attorney, to transfer the same on the books of the Trustee with full power of substitution in the premises.

Dated: .....

Note: The signature(s) to this Assignment must correspond with the name(s) as written on the face of the within Registered Bond in every particular, without alteration or enlargement or any change whatsoever.

and

WHEREAS, all acts and proceedings required by law and by the articles of incorporation and by-laws of the Corporation, including all action requisite on the part of its directors and officers, neces-

sary to make the Bonds of Series C, when executed by the Corporation, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal general obligations of the Corporation, and to constitute this Third Supplemental Indenture a valid and binding agreement for the uses and purposes herein set forth, in accordance with its terms, have been done and taken; and the execution and delivery of this Third Supplemental Indenture have been in all respects duly authorized;

NOW, THEREFORE, THIS THIRD SUPPLEMENTAL INDENTURE WITNESSETH, that in order to secure the payment of the principal of, and the interest and premium, if any, on, all Bonds at any time issued and outstanding under the Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and in consideration of the premises and of the purchase and acceptance of the Bonds by the holders thereof, and for other valuable considerations, the receipt whereof is hereby acknowledged, the Corporation, party of the first part, does hereby grant, bargain, sell, warrant, convey, confirm, assign, transfer in trust, transfer a security interest in, pledge and set over unto the Trustee, party of the second part, and to its successors in the trust hereby created, all and singular the property of the Corporation, real and personal, hereinafter described (which property is hereby added to the trust estate):

1. The leasehold estate in and to the real property situate in the County of San Diego, State of California, herein in Exhibit A attached hereto particularly described, held by the Corporation under the lease, dated as of September 1, 1977 and entitled "Site Lease (Project Phase III)," between the District, as lessor, and the Corporation, as lessee, which was recorded in the office of the County Recorder of the County of San Diego on ....., 1977, under Recorder's Serial No. 77-....., together with all rights, interests and privileges of the lessee thereunder.

2. All of the rights, title and interest of the Corporation in, to and under the lease, dated as of September 1, 1977 and entitled "Facility Lease (Project Phase III)," between the Corporation, as lessor, and the District, as lessee, which was re-

corded in the office of the County Recorder of the County of San Diego on ..... , 1977, under Recorder's Serial No. 77-.....

3. All of the revenues derived by the Corporation, directly or indirectly, from the use and operation of Project Phase III to be constructed on said real property referred to in paragraph 1 above, together with all of the rents, issues and profits derived by the Corporation from the leasehold estate described in paragraph 1 above or under the lease referred to in paragraph 2 above.

4. All property which is by the express provisions of the Indenture required to be subjected to the lien hereof; and any additional property that may, from time to time hereafter, by delivery or by writing of any kind, be subjected to the lien hereof, by the Corporation or by anyone in its behalf, and the Trustee is hereby authorized to receive the same at any time as additional security hereunder.

TO HAVE AND TO HOLD, all and singular, the said premises, properties, rights, estates, interests and privileges and also any and all additional premises, properties, rights, estates, interests and privileges that by virtue of any provision of the Indenture or by any indenture supplemental thereto shall hereafter become subject to the Indenture, and to the trusts thereby created, unto the Trustee and its successors in the trusts thereby created forever;

IN TRUST, NEVERTHELESS, for the equal and proportionate benefit and security of the holders from time to time of any of the Bonds (and their appurtenant coupons) authenticated and delivered under the Indenture and issued by the Corporation and outstanding, without preference, priority or distinction as to lien or otherwise of any one Bond over any other Bond by reason of priority in the issue, sale or negotiation thereof, or of any other cause, so that each Bond shall have the same rights, privileges and lien under and by virtue of the Indenture, and so that the principal of and interest (and any premium) on every Bond shall, subject to the terms thereof, be equally and proportionately secured thereby, as if all had been duly issued and sold and negotiated simultaneously with the execution and delivery of the Indenture.



And it is hereby covenanted that all of the Bonds and any coupons for interest thereon shall be issued, authenticated and delivered, and that the trust estate shall be held by the Trustee, subject to the further covenants, conditions, uses and trusts hereinafter set forth, and the Corporation agrees and covenants with the Trustee and with the holders from time to time of the Bonds and their appurtenant coupons, as follows:

## ARTICLE XVII

### BONDS OF SERIES C

SECTION 17.01. *Definitions.* (a) Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Third Supplemental Indenture, have the meanings herein specified, the following definitions to be equally applicable to both the singular and plural forms of any of the terms herein defined. All terms defined in the Indenture and used herein shall have the meanings assigned to such terms in the Indenture.

#### **Bonds of Series C, Serial Bonds, Term Bonds**

The term "Bonds of Series C" shall mean the San Diego Unified School District Public School Building Corporation Bonds of Series C authorized under and secured by the Indenture and this Third Supplemental Indenture.

The term "Serial Bonds" as to the Bonds of Series C shall mean Bonds maturing by their terms on or prior to July 1, 1995.

The term "Term Bonds" as to the Bonds of Series C shall mean Bonds maturing by their terms on July 1, 2000.

#### **Facility Lease (Project Phase III)**

The term "Facility Lease (Project Phase III)" shall mean the lease, dated as of September 1, 1977 and entitled "Facility Lease (Project Phase III)," between the Corporation, as lessor, and the District, as lessee, which was recorded in the office of the County Recorder of the County of San Diego as set forth in paragraph 2 of the granting clauses hereof, as originally executed and recorded or as it may from time to time be supplemented, modified or amended pursuant to the provisions of the Indenture.

### Project Phase III

The term "Project Phase III" shall mean the public school buildings and facilities set forth below to be financed from the proceeds of the Bonds of Series C, together with parking, site development, landscaping, utilities, equipment and appurtenant and related facilities, including all works, properties and structures comprising said buildings and facilities, to be constructed on the real property leased to the Corporation by the District under the Site Lease (Project Phase III), in accordance with the plans and specifications prepared by the Architects, all to be constructed in accordance with the requirements set forth in the Facility Lease (Project Phase III), together with any additions, extensions or improvements to Project Phase III. The public school facilities included in Project Phase III are as follows:

<u>Public School Facility</u>	<u>Location in the City of San Diego</u>
Tierrasanta No. 2 (Vista Grande) Elementary School .....	5606 Antigua Blvd. (North of Claremont Mesa Blvd., West of Antigua Blvd., South of Proposed Freeway Route 52 and East of State Route 15)
University City (Zeta O. Doyle) Elementary School .....	Berino Ct. and Regents Rd. (South of La Jolla Village Rd., East of I-5, West of Regents Rd. and North of A.T. & S.F. Railroad)
Tierrasanta No. 3 (Jean Farb) Elementary School .....	LaCuenta Drive (East of Santo Rd., South of Tierrasanta Blvd. and North of the San Diego River)
Miramar Ranch No. 2 (Chauncy I. Jerabek) Elementary School .....	on Avenida Magnifica at Mesa Madera Dr.
Career Center at Mission Bay High School .....	2475 Grand Avenue
Career Center at Kearny High School ..	7651 Wellington Street

### Site Lease (Project Phase III)

The term "Site Lease (Project Phase III)" shall mean the lease, dated as of September 1, 1977 and entitled "Site Lease (Project Phase III)," between the District, as lessor, and the Corporation, as lessee, which was recorded in the office of the County Recorder of the County of San Diego as set forth in paragraph 1 of the granting clauses hereof, as originally executed and recorded or as it may from time to time be supplemented, modified or amended pursuant to the provisions of the Indenture.

### Third Supplemental Indenture

The term "Third Supplemental Indenture" shall mean this Third Supplemental Indenture, dated as of September 1, 1977, as executed by the Corporation and the Trustee in accordance with the Indenture, and which is supplemental to the Indenture.

(b) The definition of the term "Architects," being the fourth paragraph of Section 1.01, as amended by the First Supplemental Indenture, is hereby further amended by the addition of the following sentence at the end of said definition:

The term "Architects" shall also mean Homer Delawie Associates, A.I.A., as architects of the part of Project Phase III consisting of Tierrasanta No. 3 (Vista Grande) Elementary School, Richard J. Lareau & Associates, Inc. as architects of University City (Zeta O. Doyle) Elementary School, Robert E. Des Lauriers, A.I.A., Architect, Inc. as architects of Tierrasanta No. 2 (Jean Farb) Elementary School, Robert Platt & Associates as architects of Miramar Ranch No. 2 (Chauncy I. Jerabek) Elementary School, Hufbauer, Humphrey & Worthington, Inc. as architects of the Career Center at Mission Bay High School, and Hufbauer, Humphrey & Worthington, Inc. as architects of the Career Center at Kearny High School.

SECTION 17.02. *Terms of Bonds of Series C.* A third series of Bonds is hereby created and such Bonds are designated as the "San Diego Unified School District Public School Building Corporation Bonds, Series C" (herein called the "Bonds of Series C"). The aggregate principal amount of Bonds of Series C which may be issued and outstanding under the Indenture and this Third Supplemental Indenture shall not exceed seventeen million one hundred ten thousand dollars (\$17,110,000), exclusive of Bonds executed and authenticated as provided in Section 7.07.

Interest on the Bonds of Series C shall be payable on July 1, 1978 and semiannually thereafter January 1 and July 1 in each year. The Bonds of Series C shall bear interest at the following rates per annum, and shall mature on July 1 in each of the years, as follows:



<u>Maturity Date July 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date July 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
1980 .....	\$400,000	...%	1989 .....	\$ 710,000	...%
1981 .....	430,000	...	1990 .....	760,000	...
1982 .....	460,000	...	1991 .....	810,000	...
1983 .....	490,000	...	1992 .....	860,000	...
1984 .....	520,000	...	1993 .....	920,000	...
1985 .....	550,000	...	1994 .....	970,000	...
1986 .....	590,000	...	1995 .....	1,040,000	...
1987 .....	630,000	...	2000 .....	6,300,000	...
1988 .....	670,000	...			

The Bonds of Series C may be issued as coupon Bonds in the denomination of five thousand dollars (\$5,000) or as fully registered Bonds without coupons in the denomination of five thousand dollars (\$5,000) or any multiple thereof, so long as no fully registered Bond shall have principal maturing in more than one year.

Both the principal of and interest on the Bonds of Series C shall be payable in lawful money of the United States of America at the principal office of the Trustee in the City of San Diego, County of San Diego, State of California. In the case of coupon Bonds of Series C, both such principal and interest shall also be payable, at the option of the holder, at the principal office of the Paying Agent of the Corporation in the Borough of Manhattan, City of New York, State of New York, or at the office of the Paying Agent of the Corporation in the City of Chicago, County of Cook, State of Illinois, or at the principal office of the Paying Agent of the Corporation in the City and County of San Francisco, State of California, or at the principal office of the Paying Agent of the Corporation in the City of Los Angeles, County of Los Angeles, State of California.

The coupon Bonds of Series C shall be dated as of September 1, 1977, shall be numbered C1 to C3,422, inclusive, in consecutive numerical order, and shall bear interest from September 1, 1977. Payment of interest on the coupon Bonds due on or before the maturity of such Bonds shall be made only upon presentation and surrender of the coupons representing such interest as the same respectively fall due.

The fully registered Bonds of Series C shall be dated as of September 1, 1977, and shall bear interest from the interest payment date next preceding the date of authentication thereof unless such date of authentication is an interest payment date, in which event they shall bear interest from such date of authentication, or unless such date of authentication is prior to the first interest payment date, in which event they shall bear interest from September 1, 1977; provided, however, that if, at the time of authentication of any fully registered Bond, interest is in default on outstanding Bonds, such fully registered Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on the outstanding Bonds. Payment of the interest on any fully registered Bond shall be made to the person appearing on the Bond registration books of the Trustee as the registered owner thereof, such interest to be paid by check or draft mailed to the registered owner at his address as it appears on such registration books or at such address as he may have filed with the Trustee for that purpose.

SECTION 17.03. *Terms of Redemption of Bonds of Series C.* The Corporation shall have the right, on any date, to redeem the Bonds of Series C, as a whole, or in part by lot within each maturity so that the Annual Debt Service for the Bonds of Series C for all years in which Bonds of Series C shall mature (or shall be subject to mandatory redemption from Sinking Fund Accounts) after such redemption shall be as nearly equal as practicable, from proceeds of insurance or proceeds of eminent domain proceedings, upon the terms and conditions of, and as provided for in, Sections 5.03 and 9.13, respectively, at the principal amount thereof and accrued interest thereon to the date fixed for redemption. Bonds of Series C due on or before July 1, 1987 shall not otherwise be subject to redemption before their respective stated maturities. Bonds of Series C due on or after July 1, 1988 shall also be subject to redemption prior to their respective stated maturities, at the option of the Corporation, as a whole, or in part in inverse order of maturities and by lot within any such maturity if less than all of the Bonds of Series C of such maturity be redeemed, from any source of available funds, on any interest payment date on or after July 1, 1987, at the principal amount

thereof and accrued interest thereon to the date fixed for redemption, plus (if such redemption shall occur on or before July 1, 1995) a premium of one-fourth of one percent ( $\frac{1}{4}$  of 1%) of such principal amount for each whole year or fraction thereof remaining between the date fixed for redemption and their respective stated maturities (no premium being payable if such redemption shall occur on or after January 1, 1996).

Except as otherwise provided in this Section, the redemption of the Bonds of Series C shall be subject to the provisions of Article VIII.

SECTION 17.04. *Authentication and Delivery of Bonds of Series C.* The Trustee, forthwith upon the execution and delivery of this Third Supplemental Indenture or from time to time thereafter, upon the execution and delivery to it by the Corporation of the Bonds of Series C, as hereinabove provided, and without any further action on the part of the Corporation, shall authenticate Bonds of Series C in an aggregate principal amount of not exceeding seventeen million one hundred ten thousand (\$17,110,000), and shall deliver them to or upon the Written Order of the Corporation.

SECTION 17.05. *Application of Proceeds of Bonds of Series C.* The proceeds received by the Corporation from the sale of the Bonds of Series C shall be deposited with the Trustee, who shall forthwith set aside such proceeds in the following respective funds:

(a) The Trustee shall set aside in the Interest Fund (established pursuant to Section 4.02) an amount which, together with any accrued interest received upon the sale of the Bonds of Series C, is sufficient to pay the interest becoming due and payable on the Bonds of Series C on and before July 1, 1979.

(b) The Trustee shall set aside in the Reserve Fund (established pursuant to Section 4.02) a sum which, together with the balance then on deposit in said Fund, shall equal the Maximum Annual Debt Service on all Bonds then outstanding, including the Bonds of Series C.

(c) The Trustee shall set aside the remainder of said proceeds in the Construction Fund established pursuant to Section 3.02.



SECTION 17.06. *Construction Contracts (Project Phase III).*  
 The Corporation has executed contracts with the contractors hereinafter set forth, providing for the construction of Project Phase III to be financed from the proceeds of the Bonds of Series C:

<u>Part of Project Phase III</u>	<u>Contractor</u>
Tierrasanta No. 2 (Vista Grande) Elementary School .....	G. L. Cory, Inc.
University City (Zeta O. Doyle) Elementary School .....	Robert G. Fisher Company, Inc.
Tierrasanta No. 3 (Jean Farb) Elementary School .....	Louetto Construction, Inc.
Miramar Ranch No. 2 (Chauncy I. Jerabek) Elementary School .....	Nielsen Construction Company
Career Center at Mission Bay High School and Career Center at Kearny High School .....	G. L. Cory, Inc.

Copies of said contracts are on file in the office of the Trustee. The Corporation covenants that, not later than twenty-four hours after the issuance of the Bonds of Series C, the Corporation will notify the contractors under said contracts to commence work thereunder and will at all times thereafter cause the work of construction of Project Phase III to be diligently prosecuted to completion.

The Corporation covenants that, without the approval of the holders of at least sixty per cent (60%) in aggregate principal amount of the Bonds at the time outstanding, it will not make any changes in said contracts which will materially reduce or diminish the capacity, adaptability or usefulness of Project Phase III for the purposes for which it was designed. The Corporation further covenants that it will not make any changes in said contracts which will materially increase the total cost of construction of Project Phase III above the prices set forth therein unless the District shall have authorized such changes and (i) the balance then on hand in the Construction Fund and available for the purpose shall be sufficient to pay all costs and expenses then payable, or which thereafter may become payable, from said Fund, including all sums then and thereafter payable pursuant to said contract and the increase in total cost resulting from such changes, or (ii) the District shall have deposited with the Trustee (or, in a manner satisfactory to the Trustee, shall have guaranteed to deposit with the Trustee) such amount as shall be required to increase the balance in said Fund to

an amount sufficient to pay all such costs and expenses. The Trustee shall set aside in the Construction Fund all amounts so deposited.

SECTION 17.07. *Series C Sinking Fund Account.* The Trustee shall establish and hold within the Principal Fund (established pursuant to Section 4.02) a Series C Sinking Fund Account for payment of the principal of the Term Bonds of Series C, which the Corporation hereby covenants and agrees to cause to be maintained. The Trustee, on or before June 30 and December 30 of each year (commencing on or before December 30, 1995), shall deposit in the Series C Sinking Fund Account Revenues in an amount equal to one-half of an amount which shall be sufficient to call and redeem Bonds of Series C (excluding accrued interest thereon, which is payable from the Interest Fund) in the following respective principal amounts on or before July 1 of each of the following years:

<u>Year Ending July 1</u>	<u>Principal Amount of Bonds of Series C to Be Called and Redeemed</u>
1996 .....	\$1,110,000
1997 .....	1,180,000
1998 .....	1,250,000
1999 .....	1,340,000
2000 .....	1,420,000

All moneys in the Series C Sinking Fund Account may be used and withdrawn by the Trustee at any time for the purchase of Bonds of Series C at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Fund) as the Trustee may in its discretion determine, but not to exceed the then current redemption price for Bonds redeemed from the Series C Sinking Fund Account (excluding accrued interest), and all Bonds so purchased by the Trustee shall be cancelled; provided, however, that all moneys in the Series C Sinking Fund Account on each May 15 and November 15, beginning on November 15, 1995, together with any additional sums estimated by the Trustee to be receivable in the Series C Sinking Fund Account after such date and on or before the next succeeding interest payment date, in an amount sufficient to redeem at least fifty thousand dollars (\$50,000) principal amount of Bonds of Series C, shall be

used and withdrawn by the Trustee solely for the purpose of redeeming the Bonds of Series C which are subject to redemption pursuant to the provisions of Section 16.03; and the Trustee shall during each twelve-month period beginning with the twelve-month period ending on July 1, 1996, purchase or call and redeem (as herein provided) an aggregate principal amount of Bonds of Series C equal to at least the amount stated in the preceding paragraph for such twelve-month period. The Corporation hereby covenants and agrees with the holders of the Bonds of Series C to call and redeem Bonds of Series C from the Series C Sinking Fund Account pursuant to this section and pursuant to Section 16.03 whenever on May 15 or November 15 of each year, beginning in November, 1995, there are moneys in the Series C Sinking Fund Account available for said purpose as in this paragraph provided.

The amount estimated by the Trustee to be received from Revenues into the Series C Sinking Fund Account between each such May 15 or November 15 and the next succeeding interest payment date shall not be in excess of the portion of the Base Rental to be paid by the District prior to said next succeeding interest payment date attributable to Term Bonds of Series C. If the amount estimated to be so received into the Series C Sinking Fund Account is not actually received on or before the interest payment date on which the same is to be applied by the Trustee for the redemption of Bonds called on such interest payment date, the deficiency shall be made up by temporary borrowing by the Trustee from the Reserve Fund, to be repaid from the first Revenues thereafter received by the Trustee, when and if such Revenues are received by the Trustee. The Trustee shall be under no liability in making such estimate or using or applying moneys (including borrowings from the Reserve Fund) based upon such estimate of moneys to be available in the Series C Sinking Fund Account as herein provided.

SECTION 17.08. *Construction of Project Phase III.* The Corporation will forthwith construct Project Phase III in conformity with the plans and specifications prepared by the Architects (subject to any changes approved in accordance with Section 16.06), and in conformity with the Facility Lease (Project Phase III) and with



law and all requirements of all governmental authorities having jurisdiction thereover, and it will complete such construction with all expedition practicable.

SECTION 17.09. *Leasehold Estate.* The Corporation is, at the date of the execution and delivery of this Third Supplemental Indenture, the owner and lawfully possessed of the leasehold estate described in paragraph 1 of the granting clauses hereof. The Site Lease (Project Phase III) is, at the date of the execution and delivery of this Third Supplemental Indenture, a valid subsisting demise for the term therein set forth of the property which it purports to demise. At the time of executing the Site Lease (Project Phase III) the lessor therein named was the owner in fee simple of the premises described therein, and the Site Lease (Project Phase III) was lawfully made by said lessor. The covenants contained in the Site Lease (Project Phase III) on the part of the lessor therein named are valid and binding, and this Third Supplemental Indenture is executed in conformity therewith. At the time of the delivery of this Third Supplemental Indenture there is no interest or estate in said premises subordinate to the fee simple estate therein which is superior or prior to said leasehold estate hereby transferred in trust and conveyed, other than easements, rights of way, exceptions or conditions in deeds of record which do not impair or materially interfere with the use of the demised premises for the purposes of the Project; the Corporation has good right, full power and lawful authority to grant, bargain, sell, warrant, convey, confirm, assign, transfer in trust, transfer a security interest in, pledge and set over the said leasehold estate, in the manner and form herein provided; and the Corporation will forever warrant and defend the title to the same to the Trustee against the claims of all persons whomsoever. The Corporation will not suffer said leasehold estate hereby conveyed and transferred in trust, or any part thereof, to be sold for any taxes, assessments or other charges whatsoever, or to be forfeited therefor; nor do or permit to be done, in, upon or about said leasehold estate, or any part thereof, anything that might in anywise weaken, diminish or impair the security intended to be given by the Indenture. The Corporation further covenants that the Facility Lease (Project Phase III) has been duly and regularly executed and transferred and assigned in trust to the Trustee.

SECTION 17.10. *Title Insurance.* The Corporation will provide at its own expense, upon the execution of this Third Supplemental Indenture, a title insurance policy payable to the Trustee for the use and benefit of the trust estate. Such policy shall be in form satisfactory to the Trustee and in the amount of seventeen million one hundred ten thousand dollars (\$17,110,000), and shall insure either the Corporation's leasehold interest title derived from the Site Lease (Project Phase III) in the real property described in the Site Lease (Project Phase III) or the title of the District in such real property. All proceeds received by the Trustee under said policy shall be applied and disbursed by the Trustee in the same order and priority and for the same purposes as are provided in Section 9.13 relating to proceeds received in eminent domain proceedings except that the term "eminent domain proceedings" as used in Section 9.13 shall be read as "proceedings affecting the title of the Corporation."

SECTION 17.11. *Article and Section Headings.* The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Third Supplemental Indenture.

SECTION 17.12. *Execution in Several Counterparts.* This Third Supplemental Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Corporation and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

SECTION 17.13. *Terms of Bonds of Series C Subject to the Indenture.* Except as in this Third Supplemental Indenture expressly provided, every term and condition contained in the Indenture shall apply to this Third Supplemental Indenture and to the Bonds of Series C with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Third Supplemental Indenture.

IN WITNESS WHEREOF, San Diego Unified School District Public School Building Corporation has caused this Third Supplemental Indenture to be signed in its corporate name by its President and its corporate seal to be hereunto affixed and attested by its Secretary, and California First Bank, in token of its acceptance of the trusts created hereunder, has caused this Third Supplemental Indenture to be signed in its corporate name by one of its Trust Officers and its corporate seal to be hereunto affixed and attested by one of its Trust Administrators, all as of the day and year first above written.

SAN DIEGO UNIFIED SCHOOL DISTRICT  
PUBLIC SCHOOL BUILDING CORPORATION

By

[Corporate Seal]

*President*

Attest:

*Secretary*

CALIFORNIA FIRST BANK

By

*Trust Officer*

[Corporate Seal]

Attest:

*Trust Administrator*

[EXHIBIT A OMITTED]



**SITE LEASE**  
**(Project Phase III)**

This Lease, dated as of September 1, 1977, by and between the SAN DIEGO UNIFIED SCHOOL DISTRICT, a school district organized and existing under and by virtue of the laws of the State of California (herein called the "District"), as lessor, and SAN DIEGO UNIFIED SCHOOL DISTRICT PUBLIC SCHOOL BUILDING CORPORATION (herein called the "Corporation"), as lessee;

W I T N E S S E T H :

WHEREAS, the Corporation intends to assist the District by financing and constructing for the District the hereinafter listed public school facilities, together with parking, site development, landscaping, utilities, equipment and appurtenant and related facilities (herein called "Project Phase III"):

<u>Public School Facility</u>	<u>Location in the City of San Diego</u>
Tierrasanta No. 2 (Vista Grande) Elementary School .....	5606 Antigua Blvd. (North of Claremont Mesa Blvd., West of Antigua Blvd., South of Proposed Freeway Route 52 and East of State Route 15)
University City (Zeta O. Doyle) Elementary School .....	Berino Ct. and Regents Rd. (South of La Jolla Village Rd., East of I-5, West of Regents Rd. and North of A.T. & S.F. Railroad)
Tierrasanta No. 3 (Jean Farb) Elementary School .....	LaCuenta Drive (East of Santo Rd., South of Tierrasanta Blvd. and North of the San Diego River)
Miramar Ranch No. 2 (Chauncy I. Jerabek) Elementary School .....	on Avenida Magnifica at Mesa Madera Dr.
Career Center at Mission Bay High School .....	2475 Grand Avenue
Career Center at Kearny High School ..	7651 Wellington Street

WHEREAS, the Corporation intends to lease Project Phase III to the District by a lease, entitled "Facility Lease (Project Phase III)" and dated as of September 1, 1977 (herein called the "Facility Lease"), and the District proposes to enter into this lease with the Corporation as a material consideration for the Corporation's agreement to construct Project Phase III for and on behalf of the District;

NOW, THEREFORE, IT IS HEREBY MUTUALLY AGREED as follows:

**SECTION 1. Demised Premises.**

The District hereby leases to the Corporation and the Corporation hereby hires from the District, on the terms and conditions here-

inafter set forth, the real property (herein called the "Demised Premises") situated in the County of San Diego, State of California, and described in Exhibit A attached hereto and made a part hereof.

This lease is entered into pursuant to the written consent of the United States of America, and is subject and subordinate to all of the rights and interests of the United States of America in or to all or a portion of the parcel of real property described as Parcel Three of Exhibit A attached hereto and made a part hereof, pursuant to a deed to the District from the United States of America dated March 16, 1971 and recorded April 20, 1971 under Recorder's File No. 78589.

#### SECTION 2. *Term.*

The term of this lease shall commence on the date of recordation of this lease in the office of the County Recorder of San Diego County, State of California, or on December 1, 1977, whichever is earlier, and shall end on December 1, 2000, unless such term is extended or sooner terminated as hereinafter provided. If on November 30, 2000 any bonds or other indebtedness of the Corporation incurred to finance construction of Project Phase III shall not be fully paid and retired, or if the rental payable under the Facility Lease shall have been abated at any time and for any reason, then the term of this lease shall be extended until ten (10) days after all bonds and other indebtedness of the Corporation incurred to finance construction of Project Phase III shall be fully paid and retired, except that the term of this lease shall in no event be extended beyond December 1, 2005. If prior to December 1, 2000 all bonds and other indebtedness of the Corporation incurred to finance construction of Project Phase III shall be fully paid and retired, the term of this lease shall end ten (10) days thereafter or ten (10) days after written notice by the District to the Corporation, whichever is earlier.

#### SECTION 3. *Rental.*

The Corporation shall pay annually to the District as and for rental hereunder the sum of One Dollar (\$1.00), on or before June 30 in each year, commencing on June 30, 1978 and continuing to and including the date of termination of this lease.

SECTION 4. *Purpose.*

The Corporation shall use the Demised Premises solely for the purpose of constructing Project Phase III thereon and leasing the Demised Premises and Project Phase III to the District pursuant to the Facility Lease and for such purposes as may be incidental thereto; provided, that in the event of default by the District under the Facility Lease the Corporation may exercise the remedies provided in the Facility Lease.

SECTION 5. *Owner in Fee.*

The District covenants that it is the owner in fee of the Demised Premises, as described in Exhibit A hereto.

SECTION 6. *Assignments and Subleases.*

Unless the District shall be in default under the Facility Lease, the Corporation may not assign its rights under this lease or sublet the Demised Premises, except to secure obligations incurred by the Corporation to obtain funds to finance the acquisition and construction of Project Phase III, without the written consent of the District.

SECTION 7. *Right of Entry; Easements.*

The District reserves the right for any of its duly authorized representatives to enter upon the Demised Premises at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

The District agrees, upon written request from the Corporation, to grant to the Corporation a nonexclusive easement of ingress and egress for persons, vehicles and utilities, twenty (20) feet wide, from each parcel of the Demised Premises not having access to a public street, and appurtenant to such parcel, over property owned by the District to a public street. The District may, at any time, satisfy its obligation contained in the preceding sentence as to any such parcel of the Demised Premises by granting to the Corporation an easement complying with the requirements of the preceding sentence from such parcel of the Demised Premises to a public street.

SECTION 8. *Termination.*

The Corporation agrees, upon the termination of this lease, to quit and surrender the Demised Premises to the District, and agrees that any permanent improvements and structures existing upon the



Demised Premises at the time of the termination of this lease shall remain thereon and title thereto shall vest in the District.

Upon the exercise of the option to purchase set forth in section 24 of the Facility Lease and upon payment of the option price required by said section, the term of this lease shall terminate as to the portion of the Demised Premises upon which the part of Project Phase III being so purchased is situated.

SECTION 9. *Mortgage of Leasehold.*

The Corporation is hereby granted the right to mortgage or hypothecate or otherwise encumber this lease or any rights hereunder and the leasehold created hereby, by indenture or deed of trust or otherwise, to secure any indebtedness of the Corporation incurred to finance the acquisition and construction of Project Phase III. In the event of foreclosure or sale under any mortgage, deed of trust, indenture or other instrument securing such indebtedness, the trustee or any purchaser at any sale under foreclosure or power of sale thereunder shall have and possess all of the rights herein granted to the Corporation.

SECTION 10. *Default.*

In the event the Corporation shall be in default in the performance of any obligation on its part to be performed under the terms of this lease, which default continues for thirty (30) days following notice and demand for correction thereof to the Corporation, the District, subject to the provisions of section 9 hereof, may exercise any and all remedies granted by law, except that no merger of this lease and of the Facility Lease shall be deemed to occur as a result thereof; *provided, however*, that the District shall have no power to terminate this lease by reason of any default on the part of the Corporation if such termination would affect or impair any assignment or sublease of all or any part of the Demised Premises then in effect between the Corporation and any assignee or subtenant of the Corporation (other than the District under the Facility Lease). So long as any such assignee or subtenant of the Corporation shall duly perform the terms and conditions of this lease and of its then existing sublease (if any), such assignee or subtenant shall be deemed to be and shall become the tenant of the District hereunder and shall be entitled to all of the rights and privileges granted under any such

assignment; *provided, further*, that so long as any indebtedness of the Corporation secured by an indenture or deed of trust is outstanding and unpaid in accordance with the terms thereof, the rentals or any part thereof payable to the trustee under such indenture or deed of trust (by the terms of such assignment or sublease) shall continue to be paid to said trustee.

SECTION 11. *Quiet Enjoyment.*

The Corporation at all times during the term of this lease, subject to the provisions of section 10 hereof, shall peaceably and quietly have, hold and enjoy all of the Demised Premises. The District covenants that it will, at all times during the term of this lease, comply with all of the terms and conditions of the deed to the District from the United States of America of all or a portion of the parcel of real property described as Parcel Three of Exhibit A attached hereto and made a part hereof, and further agrees to indemnify and hold harmless the Corporation from any loss, cost or damage resulting from the failure of the District to comply with any of the terms or conditions of said deed. The District further agrees that if at any time it is unable to comply with the terms and conditions of said deed, it will pay to the United States of America any amounts necessary to obtain a surrender and release of said terms and conditions, and it will use its best efforts to obtain such surrender and release.

SECTION 12. *Waiver of Personal Liability.*

All liabilities under this lease on the part of the Corporation shall be solely corporate liabilities of the Corporation as a corporation, and the District hereby releases each and every incorporator, member, director and officer of the Corporation of and from any personal or individual liability under this lease. No incorporator, member, director or officer of the Corporation shall at any time or under any circumstances be individually or personally liable under this lease to the District or to any other party whomsoever for anything done or omitted to be done by the Corporation hereunder.

SECTION 13. *Taxes.*

The District covenants and agrees to pay any and all assessments of any kind or character and also all taxes, including posses-

sory interest taxes, levied or assessed upon the Demised Premises (including both land and improvements).

SECTION 14. *Eminent Domain.*

In the event the whole or any part of the Demised Premises or the improvements thereon (including Project Phase III) is taken by eminent domain proceedings, the interest of the Corporation shall be recognized and is hereby determined to be the amount of the then unpaid indebtedness incurred by the Corporation to finance construction of Project Phase III, and shall be paid to the trustee under any indenture or deed of trust securing said indebtedness, and the balance of the award, if any, shall be paid to the District. The term "unpaid indebtedness," as used in the preceding sentence, includes the face amount of the indebtedness evidenced by any outstanding bonds of the Corporation issued to finance construction of Project Phase III, together with the interest thereon and all other payments required to be made by or to the trustee under the indenture securing said bonds on account of said indebtedness, until such indebtedness, together with the interest thereon, has been paid in full in accordance with the terms thereof and irrespective of any foreclosure or sale under any power of sale contained in such indenture.

SECTION 15. *Partial Invalidity.*

If any one or more of the terms, provisions, covenants or conditions of this lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this lease shall be affected thereby, and each provision of this lease shall be valid and enforceable to the fullest extent permitted by law.

SECTION 16. *Notices.*

All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered or certified mail, return receipt requested, postage prepaid, and, if to the District,



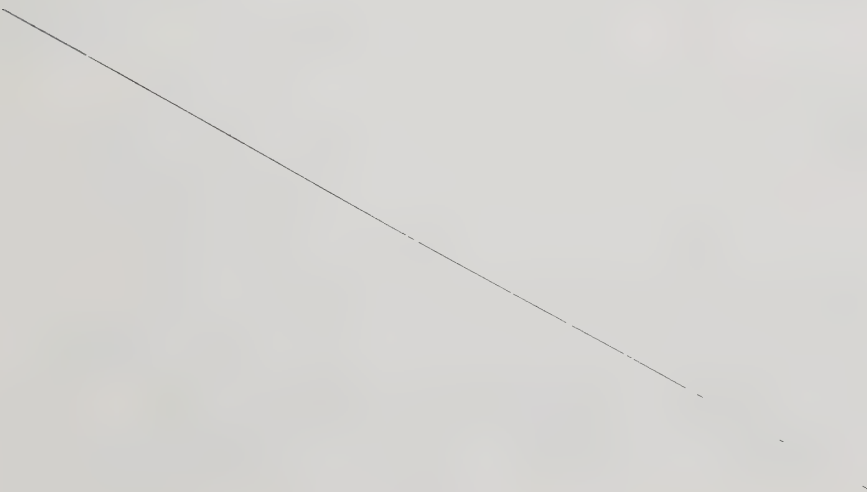
addressed to the District in care of the Deputy Superintendent—Administration, San Diego Unified School District, Education Center, 4100 Normal Street, San Diego, California 92103, or, if to the Corporation, addressed to the Corporation in care of the San Diego Unified School District, Education Center, 4100 Normal Street, San Diego, California 92103, with a copy to the trustee under any indenture securing bonds of the Corporation issued to finance the construction of Project Phase III, or to such other addresses as the respective parties may from time to time designate by notice in writing.

SECTION 17. *Section Headings.*

All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this lease.

SECTION 18. *Execution.*

This lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same lease. It is also agreed that separate counterparts of this lease may separately be executed by the District and the Corporation, all with the same force and effect as though the same counterpart had been executed by both the District and the Corporation.



IN WITNESS WHEREOF, the District and the Corporation have caused this lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

SAN DIEGO UNIFIED SCHOOL DISTRICT,  
Lessor

By

\_\_\_\_\_  
*President of the Board of Education*

[Seal]

ATTEST:

\_\_\_\_\_  
*Secretary of the Board of Education*

Approved as to form:

\_\_\_\_\_  
*Schools Attorney*

SAN DIEGO UNIFIED SCHOOL DISTRICT  
PUBLIC SCHOOL BUILDING CORPORATION,  
Lessee

By

\_\_\_\_\_  
*President*

[Seal]

ATTEST:

\_\_\_\_\_  
*Secretary*

[EXHIBIT A OMITTED]

**FACILITY LEASE**  
**(Project Phase III)**

This Lease, dated as of September 1, 1977, between SAN DIEGO UNIFIED SCHOOL DISTRICT PUBLIC SCHOOL BUILDING CORPORATION (herein called the "Corporation"), as sublessor, and the SAN DIEGO UNIFIED SCHOOL DISTRICT, a school district organized and existing under and by virtue of the laws of the State of California (herein called the "District"), as sublessee;

WITNESSETH:

In consideration of the mutual covenants hereinafter contained, the parties hereto agree as follows:

SECTION 1. *Definitions.*

Unless the context otherwise requires, the terms defined in this section shall, for all purposes of this lease, have the meanings herein specified, the following definitions to be equally applicable to both the singular and plural forms of any of the terms herein defined:

The term "Bonds" means any bonds or notes issued by the Corporation to finance Project Phase III and authorized under and secured by the Indenture, including the San Diego Unified School District Public School Building Corporation Bonds of Series C, and any other indebtedness incurred by the Corporation to finance Project Phase III.

The term "Demised Premises" means that certain real property situated in the County of San Diego, State of California, described in Exhibit A attached hereto and made a part hereof; subject, however, to any conditions, reservations and easements of record or known to the District.

The term "Indenture" means the indenture, dated as of July 1, 1975, between the Corporation and Southern California First National Bank, as trustee (California First Bank having succeeded Southern California First National Bank as trustee under said indenture), as originally executed or as it may from time to time be supplemented or amended by any supplemental indenture entered into pursuant to the provisions thereof.

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The term "Project Phase III" means the hereinafter specified public school facilities, together with parking, site development, landscaping, utilities, equipment and appurtenant and related facilities, to be constructed by the Corporation on the Demised Premises pursuant to section 4 hereof. The Project Phase III public school facilities are as follows:

<u>Public School Facility</u>	<u>Location in the City of San Diego</u>
Tierrasanta No. 2 (Vista Grande) Elementary School .....	5606 Antigua Blvd. (North of Claremont Mesa Blvd., West of Antigua Blvd., South of Proposed Freeway Route 52 and East of State Route 15)
University City (Zeta O. Doyle) Elementary School .....	Berino Ct. and Regents Rd. (South of La Jolla Village Rd., East of I-5, West of Regents Rd. and North of A.T. & S.F. Railroad)
Tierrasanta No. 3 (Jean Farb) Elementary School .....	LaCuenta Drive (East of Santo Rd., South of Tierrasanta Blvd. and North of the San Diego River)
Miramar Ranch No. 2 (Chauncy I. Jerabek) Elementary School .....	on Avenida Magnifica at Mesa Madera Dr.
Career Center at Mission Bay High School .....	2475 Grand Avenue
Career Center at Kearny High School ..	7651 Wellington Street

The term "Site Lease" means that lease, entitled "Site Lease (Project Phase III)" and dated as of September 1, 1977, between the San Diego Unified School District, as lessor, and San Diego Unified School District Public School Building Corporation, as lessee.

The term "Trustee" means the trustee under and as defined by the Indenture.

### SECTION 2. *Term; Commencement of Rental.*

The Corporation hereby leases to the District and the District hereby hires from the Corporation, on the terms and conditions hereinafter set forth, the Demised Premises and Project Phase III to be constructed thereon.

This lease is entered into pursuant to the written consent of the United States of America, and is subject and subordinate to all of the rights and interests of the United States of America in or to all or a portion of the parcel of real property described as Parcel Three of Exhibit A attached hereto and made a part hereof, pursuant



to a deed to the District from the United States of America dated March 16, 1971 and recorded April 20, 1971 under Recorder's File No. 78589.

The term of this lease shall commence on the date of recordation of this lease in the office of the County Recorder of San Diego County, State of California, or on December 1, 1977, whichever is earlier, and shall end on November 30, 2000, unless such term is extended or sooner terminated as hereinafter provided. If on November 30, 2000 the Bonds or any other indebtedness of the Corporation incurred to finance the acquisition and construction of Project Phase III shall not be fully paid and retired, or if the rental payable hereunder shall have been abated at any time and for any reason, then the term of this lease shall be extended until ten (10) days after all Bonds and any other indebtedness of the Corporation incurred to finance the acquisition and construction of Project Phase III shall be fully paid and retired, except that the term of this lease shall in no event be extended beyond December 1, 2005. If prior to November 30, 2000 all Bonds and any other indebtedness of the Corporation incurred to finance the acquisition and construction of Project Phase III shall be fully paid and retired, the term of this lease shall end ten (10) days thereafter or ten (10) days after written notice by the District to the Corporation, whichever is earlier.

It is contemplated that the District will take possession of the Demised Premises and Project Phase III on or before December 1, 1979, and the first payment of rental shall be due on December 15, 1979, as provided in section 3 hereof. If Project Phase III shall be substantially completed before December 1, 1979, the District may take possession of the Demised Premises and Project Phase III upon such substantial completion.

If the Corporation, for any reason whatsoever, cannot deliver possession of the Demised Premises and Project Phase III or any part thereof to the District by December 1, 1979, this lease shall not be void or voidable, nor shall the Corporation be liable to the District for any loss or damage resulting therefrom; but in that event the rent payable hereunder shall be abated proportionately, in the proportion which the construction cost of the part or parts of Proj-

ect Phase III not yet delivered to the District bears to the construction cost of the entire Project Phase III, with respect to the period between December 1, 1979 and the time when the Corporation delivers possession.

### SECTION 3. *Rental.*

The District agrees to pay to the Corporation, its successors or assigns, as rental for the use and occupancy of the Demised Premises and Project Phase III, the following amounts at the times and in the manner set forth herein (but subject to the provisions of sections 2, 12, 20 and 24 hereof) :

(a) *Base Rental.* The District shall pay to the Corporation as a base rental (herein called the "Base Rental"), semiannually, the amount of ..... Dollars (\$. ....) on December 15, 1979 and on each June 15 and December 15 thereafter to and including June 15, 2000, or, if the term of this lease shall have been extended pursuant to section 2 hereof, continuing to and including the date of termination of this lease. Each semiannual payment of Base Rental shall be for the use of the Demised Premises and Project Phase III for the six-month period commencing on the first day of the month in which such rental is due.

(b) *Additional Rental.* The District shall also pay to the Corporation, as rental hereunder in addition to the foregoing Base Rental (herein called the "Additional Rental"), such amounts in each year as shall be required by the Corporation for the payment of all administrative costs of the Corporation related to Project Phase III and the Bonds, including, without limiting the generality of the foregoing, salaries and wages of employees, all expenses, compensation and indemnification of the Trustee payable by the Corporation under the Indenture, fees of auditors, accountants, attorneys or engineers, and all other necessary administrative costs of the Corporation or charges required to be paid by it in order to maintain its existence or to comply with the terms of the Bonds or of the Indenture; provided, such Additional Rental shall not exceed Ten Thousand Dollars (\$10,000) annually.

Such Additional Rental shall be billed to the District by the Corporation or the Trustee from time to time, together with a statement certifying that the amount billed has been paid by the Corporation or by the Trustee on behalf of the Corporation, for one or more of the items above described, or that such amount is then payable by the Corporation or the Trustee for such items. Following commencement of the rental due hereunder, amounts so billed shall be paid by the District within ten (10) days after receipt of the bill by the District.

Such payments of Base Rental and Additional Rental for each rental payment period during the term of this lease shall constitute the total rental for said rental payment period, and shall be paid by the District in each rental payment period for and in consideration of the right of the use and occupancy of, and the continued quiet use and enjoyment of, the Demised Premises and Project Phase III during each such period for which said rental is to be paid. The parties hereto have agreed and determined that such total rental represents the fair rental value of the Demised Premises and Project Phase III. In making such determination, consideration has been given to the amount of Site Lease rental payable to the San Diego Unified School District, costs of acquisition, design, construction and financing of Project Phase III, other obligations of the parties under this lease, the uses and purposes which may be served by Project Phase III and the benefits therefrom which will accrue to the District and the general public.

Each installment of rental payable hereunder shall be paid in lawful money of the United States of America to or upon the order of the Corporation at the principal office of the Trustee in San Diego, California, or such other place as the Corporation shall designate. Any such installment of rental accruing hereunder which shall not be paid when due shall bear interest at the rate of eight per cent (8%) per annum from the date when the same is due hereunder until the same shall be paid. Notwithstanding any dispute between the Corporation and the District, the District shall make all rental payments when due and shall not withhold any rental payments pending the final resolution of such dispute. In the event of a determination that the District was not liable for said rental payments or any por-

tion thereof, said payments or excess of payments, as the case may be, shall be credited against subsequent rental payments due hereunder or refunded at the time of such determination.

The District covenants to take such action as may be necessary to include all such rental payments due hereunder in its annual budget and to make the necessary annual appropriations for all such rental payments. The District will furnish to the Corporation and the Trustee copies of each proposed and final budget of the District within ten (10) days after the filing or adoption thereof. The covenants on the part of the District herein contained shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the District to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the District to carry out and perform the covenants and agreements in this Facility Lease agreed to be carried out and performed by the District.

#### SECTION 4. *Construction of Project Phase III.*

The Corporation has obtained open competitive bids for the construction of Project Phase III, and, concurrently with the execution, delivery and recordation of this lease, will enter into construction contracts (herein called the "Construction Contracts") providing for the construction of Project Phase III with the construction contractors specified in Exhibit B hereto (herein called the "Contractors"), the lowest responsible construction bidders therefor, and will supervise and provide for the complete construction of Project Phase III. The Corporation agrees that Project Phase III will be constructed in accordance with the plans and specifications prepared by the architects and engineers specified in Exhibit B hereto (herein called the "Architects"), and heretofore approved by the District. The Corporation further agrees that within twenty-four (24) hours of the execution and delivery of this lease it will give notice to the Contractors to commence work under the Construction Contracts, and that Project Phase III will be substantially completed in accordance with said plans and specifications within the times set forth in the Construction Contracts. The District agrees that upon substantial completion of each part of Project Phase III it will take possession of and occupy



such part of Project Phase III under the terms and provisions of this lease. Such substantial completion shall be evidenced either by a certificate of the Architects or by the occupancy by the District of such part of Project Phase III. The time within which the Corporation is required to complete any part of Project Phase III shall be extended for a period equal to any extensions of time to which the Contractor thereof is entitled under his Construction Contract (except extensions resulting from acts of the Corporation) and any delays in construction resulting from other causes and events not within the reasonable control of the Contractor or of the Corporation.

The Board of Education of the District has ascertained the general prevailing rate of per diem wages in the locality in which each part of Project Phase III is to be constructed for each craft, classification or type of workman needed for the construction of such part of Project Phase III and the Construction Contracts provide for the payment of the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in the locality for each craft, classification or type of workmen needed for the construction of such part of Project Phase III. Such rates are set forth in the Construction Contract documents and are hereby incorporated by reference and the Corporation agrees to require the Contractors to pay such rates.

The District may issue change orders altering the Construction Contract plans and specifications during the course of construction, if such changes do not materially reduce or diminish the capacity, adaptability or usefulness of Project Phase III, and the Corporation agrees to cooperate fully with the District to cause such change orders to be implemented. Before the Corporation shall be bound by any such change orders which, together with all other change orders, would increase the aggregate cost of construction of Project Phase III, the District shall arrange with the Corporation to pay the increased cost resulting from such change orders, and, if required by the Corporation or by the terms of the Indenture, shall deposit funds sufficient to pay such increased cost with the Trustee.

SECTION 5. *Maintenance, Utilities, Taxes and Assessments.*

Throughout the term of this lease, as part of the consideration for the rental of Project Phase III, all maintenance and repair of the Demised Premises and Project Phase III shall be the responsibility of the District, and the District shall pay for or otherwise arrange for the payment of all utility services supplied to the Demised Premises and Project Phase III, which shall include without limitation janitor service, power, gas, telephone, light, heating, water, security service, garbage and refuse removal and all other utility services, and shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of Project Phase III resulting from ordinary wear and tear or want of care on the part of the District or any assignee or sublessee thereof. In exchange for the rentals herein provided, the Corporation agrees to provide only the Demised Premises and Project Phase III. The District waives the benefits of subsections 1 and 2 of section 1932 of the California Civil Code, but such waiver shall not limit any of the rights of the District under the terms of this lease.

The District shall also pay to the Corporation such amounts, if any, in each year as shall be required by the Corporation for the payment of all taxes and assessments of any type or nature charged to the Corporation or the Trustee affecting the Demised Premises or Project Phase III or the respective interests or estates of the District or the Corporation or the Trustee therein, or affecting the amount available to the Corporation from rentals received hereunder for the retirement of the Bonds (including taxes or assessments assessed or levied by any governmental agency or district having power to levy taxes or assessments).

SECTION 6. *Changes to Project Phase III.*

The District shall have the right during the term of this lease to make alterations or improvements or attach fixtures, structures or signs to the Demised Premises or Project Phase III if said alterations, improvements, fixtures, structures and signs are necessary or

beneficial for the use of the Demised Premises or Project Phase III by the District.

Upon termination of this lease, the District may remove any fixture, structure or sign added by the District, but such removal shall be accomplished so as to leave Project Phase III, except for ordinary wear and tear, in substantially the same condition as it was in before the fixture, structure or sign was attached.

*SECTION 7. Fire, Extended Coverage and Earthquake Insurance.*

The District shall procure or cause to be procured and maintain or cause to be maintained throughout the term of this lease (but during the period of construction of Project Phase III only if such insurance is not provided by the Corporation or the contractors under the construction contracts referred to in section 4 hereof), insurance against loss or damage to any structures constituting any part of Project Phase III by fire and lightning, with extended coverage and vandalism and malicious mischief insurance, and, following completion of construction, earthquake insurance (but as to such earthquake insurance only if such insurance is available on the open market from reputable insurance companies). Said extended coverage insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance shall be in an amount equal to the replacement cost (without deduction for depreciation) of all structures constituting any part of Project Phase III, excluding the cost of excavations, of grading and filling, and of the land (except that such earthquake insurance may be subject to a deductible clause of not to exceed ten per cent of said replacement cost for any one loss and except that such other insurance may be subject to deductible clauses for any one loss of not to exceed the lesser of \$100,000 or the amount in the Reserve Fund established under the Indenture which is in excess of one-half ( $\frac{1}{2}$ ) of Maximum Annual Debt Service (as such term is defined in the Indenture) and available for the purpose), or in the alternative, shall be in an amount and in a form sufficient (together with moneys in the Reserve Fund created under the Indenture and available for the purpose), in the event of total or partial loss, to enable the Corporation either to retire all Bonds

then outstanding or to restore such structures to the condition existing before such loss.

SECTION 8. *Liability Insurance.*

Except as hereinafter provided, the District shall procure or cause to be procured, and maintain or cause to be maintained, throughout the term of this lease (but during the period of construction of Project Phase III only if such insurance is not provided by the Corporation or the contractors under the construction contracts referred to in section 4 hereof), a standard comprehensive general liability (including automobile liability) insurance policy or policies in protection of the Corporation and its members, directors, officers, agents and employees and the Trustee, indemnifying said parties against all direct or contingent loss or liability for damages for personal injury, death or property damage occasioned by reason of the operation of Project Phase III, with minimum liability limits of \$5,000,000 for personal injury or death of each person and \$10,000,000 for personal injury or deaths of two or more persons in each accident or event, and in a minimum amount of \$200,000 (subject to a deductible clause of not to exceed \$5,000) for damage to property resulting from each accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of \$10,000,000 covering all such risks. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance carried by the District.

As an alternative to providing the insurance required by the first paragraph of this section, the District may, with the written consent of the Corporation, provide other kinds of insurance or methods or plans of protection if and to the extent such other kinds of insurance or methods or plans of protection satisfy the requirements of section 5.03(b)(2) of the Indenture.

SECTION 9. *Rental Interruption or Use and Occupancy Insurance.*

The District shall procure or cause to be procured, and maintain or cause to be maintained, throughout the term of this lease (but during the period of construction of Project Phase III only if such insurance is not provided by the Corporation or the contractors under the construction contracts referred to in section 4 hereof), rental inter-



ruption or use and occupancy insurance to cover loss, total or partial, of the rental income from or the use of each structure constituting any part of Project Phase III as the result of any of the hazards covered by the insurance required by section 7 hereof, in an amount sufficient to pay the part of the total rent hereunder attributable to said structure (determined by reference to the proportion which the construction cost of such structure bears to the construction cost of all structures) for a period of at least the time originally allowed for construction of such structure plus three (3) months, except that such insurance may be subject to a deductible clause of not to exceed the aggregate total rental payable during the first thirty (30) days of any loss and except that such insurance need be maintained as to the peril of earthquake only following completion of construction of each structure and only if such insurance is available on the open market from reputable insurance companies.

SECTION 10. *Insurance Proceeds; Form of Policies.*

All policies of insurance required by sections 7 and 9 hereof shall provide that all proceeds thereunder shall be payable to the Trustee pursuant to a lender's loss payable endorsement substantially in accordance with the form approved by the Insurance Services Office and the California Bankers Association. The Trustee shall collect, adjust and receive all moneys which may become due and payable under any such policies, may compromise any and all claims thereunder and shall apply the proceeds of such insurance as provided in the Indenture. All policies of insurance required by this lease shall be in form satisfactory to the Trustee and shall provide that the Trustee shall be given thirty (30) days' notice of each expiration thereof or any intended cancellation thereof or reduction of the coverage provided thereby. The Trustee shall not be responsible for the sufficiency of any insurance herein required and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the Trustee. The District shall pay when due the premiums for all insurance policies required by this lease, and shall promptly furnish evidence of such payments to the Corporation and the Trustee.

SECTION 11. *Default.*

(a) If the District shall fail to pay any rental payable hereunder when the same becomes due and payable, time being ex-

pressly declared to be of the essence of this lease, or the District shall fail to keep, observe or perform any other term, covenant or condition contained herein to be kept or performed by the District, or upon the happening of any of the events specified in subsection (b) of this section, the District shall be deemed to be in default hereunder and it shall be lawful for the Corporation to exercise any and all remedies available pursuant to law or granted pursuant to this lease. Upon any such default, the Corporation, in addition to all other rights and remedies it may have at law, shall have the option to do any of the following:

(1) To terminate this lease in the manner hereinafter provided on account of default by the District, notwithstanding any re-entry or re-letting of Project Phase III as hereinafter provided for in subparagraph (2) hereof, and to re-enter Project Phase III and remove all persons in possession thereof and all personal property whatsoever situated upon Project Phase III and place such personal property in storage in any warehouse or other suitable place in the County of San Diego, State of California. In the event of such termination, the District agrees to surrender immediately possession of Project Phase III, without let or hindrance, and to pay the Corporation all damages recoverable at law that the Corporation may incur by reason of default by the District, including, without limitation, any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon Project Phase III and removal and storage of such property by the Corporation or its duly authorized agents in accordance with the provisions herein contained. Neither notice to pay rent or to deliver up possession of Project Phase III given pursuant to law nor any entry or re-entry by the Corporation nor any proceeding in unlawful detainer, or otherwise, brought by the Corporation for the purpose of effecting such re-entry or obtaining possession of Project Phase III nor the appointment of a receiver upon initiative of the Corporation to protect the Corporation's interest under this lease shall of itself operate to terminate this lease, and no termination of this lease on account of default by the District shall be or become effective by opera-

tion of law or acts of the parties hereto, or otherwise, unless and until the Corporation shall have given written notice to the District of the election on the part of the Corporation to terminate this lease. The District covenants and agrees that no surrender of Project Phase III or of the remainder of the term hereof or any termination of this lease shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Corporation by such written notice.

(2) Without terminating this lease, (i) to collect each installment of rent as it becomes due and enforce any other term or provision hereof to be kept or performed by the District or (ii) to exercise any and all rights of entry and re-entry upon Project Phase III. In the event the Corporation does not elect to terminate this lease in the manner provided for in subparagraph (1) hereof, the District shall remain liable and agrees to keep or perform all covenants and conditions herein contained to be kept or performed by the District and, if Project Phase III is not re-let, to pay the full amount of the rent to the end of the term of this lease or, in the event that Project Phase III is re-let, to pay any deficiency in rent that results therefrom; and further agrees to pay said rent and/or rent deficiency punctually at the same time and in the same manner as hereinabove provided for the payment of rent hereunder (without acceleration), notwithstanding the fact that the Corporation may have received in previous years or may receive thereafter in subsequent years rental in excess of the rental herein specified, and notwithstanding any entry or re-entry by the Corporation or suit in unlawful detainer, or otherwise, brought by the Corporation for the purpose of effecting such re-entry or obtaining possession of Project Phase III. Should the Corporation elect to re-enter as herein provided, the District hereby irrevocably appoints the Corporation as the agent and attorney-in-fact of the District to re-let Project Phase III, or any part thereof, from time to time, either in the Corporation's name or otherwise, upon such terms and conditions and for such use and period as the Corporation may deem advisable and to remove all persons in possession thereof and all personal property whatsoever situ-

ated upon Project Phase III and to place such personal property in storage in any warehouse or other suitable place in the County of San Diego, State of California, for the account of and at the expense of the District, and the District hereby exempts and agrees to save harmless the Corporation from any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon and re-letting of Project Phase III and removal and storage of such property by the Corporation or its duly authorized agents in accordance with the provisions herein contained. The District agrees that the terms of this lease constitute full and sufficient notice of the right of the Corporation to re-let Project Phase III in the event of such re-entry without effecting a surrender of this lease, and further agrees that no acts of the Corporation in effecting such re-letting shall constitute a surrender or termination of this lease irrespective of the use or the term for which such re-letting is made or the terms and conditions of such re-letting, or otherwise, but that, on the contrary, in the event of such default by the District the right to terminate this lease shall vest in the Corporation to be effected in the sole and exclusive manner provided for in subparagraph (1) hereof. The District further waives the right to any rental obtained by the Corporation in excess of the rental herein specified and hereby conveys and releases such excess to the Corporation as compensation to the Corporation for its services in re-letting Project Phase III or any part thereof. The District further agrees to pay the Corporation the cost of any alterations or additions to Project Phase III or any part thereof necessary to place Project Phase III or any part thereof in condition for re-letting immediately upon notice to the District of the completion and installation of such additions or alterations.

The District hereby waives any and all claims for damages caused or which may be caused by the Corporation in re-entering and taking possession of Project Phase III as herein provided and all claims for damages that may result from the destruction of or injury to Project Phase III and all claims for damages to or loss of any property belonging to the District, or any other person, that may be in or upon Project Phase III.



Each and all of the remedies given to the Corporation hereunder or by any law now or hereafter enacted are cumulative and the exercise of one right or remedy shall not impair the right of the Corporation to any or all other remedies. The term "re-let" or "re-letting" as used in this section shall include, but not be limited to, re-letting by means of the operation by the Corporation of Project Phase III. If any statute or rule of the law validly shall limit the remedies given to the Corporation hereunder, the Corporation nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law.

In the event the Corporation shall prevail in any action brought to enforce any of the terms and provisions of this lease, the District agrees to pay a reasonable amount as and for attorney's fees incurred by the Corporation in attempting to enforce any of the remedies available to the Corporation hereunder, whether or not a lawsuit has been filed and whether or not any lawsuit culminates in a judgment.

(b) If (1) the District's interest in this lease or any part thereof be assigned or transferred without the written consent of the Corporation, either voluntarily or by operation of law or otherwise, or if (2) the District or any assignee shall file any petition or institute any proceeding under the Bankruptcy Act, either as such Act now exists or under any amendment thereof which may hereafter be enacted, or under any act or acts, state or federal, dealing with or relating to the subject or subjects of bankruptcy or insolvency, or under any amendment of such act or acts, either as a bankrupt or as an insolvent or as a debtor or in any similar capacity, wherein or whereby the District asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of the District's debts or obligations, or offers to the District's creditors to effect a composition or extension of time to pay the District's debts or asks, seeks or prays for a reorganization or to effect a plan of reorganization, or for a readjustment of the District's debts, or for any other similar relief, or if any such petition or if any such proceedings of the same or similar kind or character be filed or be instituted or taken against the District, or if a receiver of the busi-

ness or of the property or assets of the District shall be appointed by any court, except a receiver appointed at the instance or request of the Corporation, or if the District shall make a general or any assignment for the benefit of the District's creditors, or if (3) the District shall abandon or vacate any part of Project Phase III (except pursuant to section 24 hereof), then the District shall be deemed to be in default hereunder.

(c) The Corporation shall in no event be in default in the performance of any of its obligations hereunder or imposed by any statute or rule of law unless and until the Corporation shall have failed to perform such obligations within thirty (30) days or such additional time as is reasonably required to correct any such default after notice by the District to the Corporation properly specifying wherein the Corporation has failed to perform any such obligation.

#### SECTION 12. *Eminent Domain.*

(a) If the whole of the Demised Premises and Project Phase III shall be taken permanently under the power of eminent domain, the term of this lease shall cease as of the day possession shall be so taken. If less than the whole of the Demised Premises and Project Phase III shall be taken permanently, or if the whole of the Demised Premises and Project Phase III shall be taken temporarily, under the power of eminent domain, (1) this lease shall continue in full force and effect and shall not be terminated by virtue of such taking and the parties waive the benefit of any law to the contrary, and (2) there shall be a partial abatement of rent to be agreed upon by the District and the Corporation, but in no event shall the rental be less than the amount required for the retirement of the Bonds and the payment of the interest thereon as such Bonds and interest become due.

(b) So long as any of the Bonds shall be outstanding, any award made in eminent domain proceedings for taking or damaging the Demised Premises and Project Phase III in whole or in part shall be paid to the Trustee and applied as provided in the Indenture. Any such award made after all of the Bonds have been fully

paid and retired shall be paid to the Corporation and the District as their respective interests may appear.

SECTION 13. *Surrender of Premises.*

Upon the termination or expiration of this lease (other than as provided in section 11 hereof), the District shall surrender to the Corporation the Demised Premises, together with Project Phase III and any other improvements thereon (except as provided in section 24 hereof), in good order and condition and in a state of repair that is consistent with prudent use and conscientious maintenance, except for reasonable wear and tear, for disposition by the Corporation pursuant to section 8 of the Site Lease.

SECTION 14. *Right of Entry.*

The Corporation and its assignees shall have the right to enter the Demised Premises and Project Phase III during reasonable business hours (and in emergencies at all times) (a) to inspect the same, (b) for any purpose connected with the District's rights or obligations under this lease, and (c) for all other lawful purposes.

SECTION 15. *Liens.*

In the event the District shall at any time during the term of this lease cause any changes, alterations, additions, improvements, or other work to be done or performed or materials to be supplied, in or upon the Demised Premises or Project Phase III, the District shall pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to or for the District in, upon or about the Demised Premises or Project Phase III and which may be secured by any mechanic's, materialman's or other lien against the Demised Premises or Project Phase III or the Corporation's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that, if the District desires to contest any such lien, it may do so. If any such lien shall be reduced to final judgment and such judg-

ment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and said stay thereafter expires, the District shall forthwith pay and discharge said judgment.

SECTION 16. *Quiet Enjoyment.*

The parties hereto mutually covenant that the District, by keeping and performing the covenants and agreements herein contained, shall at all times during the term of this lease, peaceably and quietly, have, hold and enjoy the Demised Premises and Project Phase III, without suit, trouble or hindrance from the Corporation.

SECTION 17. *Corporation Not Liable.*

The Corporation and its members, directors, officers, agents and employees and the Trustee shall not be liable to the District or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in, on or about the Demised Premises or Project Phase III. The District shall indemnify and hold the Corporation and its members, directors, officers, agents and employees and the Trustee harmless from, and defend each of them against, any and all claims, liens and judgments for death of or injury to any person or damage to property whatsoever occurring in, on or about the Demised Premises or Project Phase III.

SECTION 18. *Assignment.*

Neither this lease nor any interest of the District hereunder shall be mortgaged, pledged, assigned, sublet or transferred by the District by voluntary act or by operation of law or otherwise, except with the prior written consent of the Corporation, which shall not be unreasonably withheld.

SECTION 19. *Title to Property.*

Title to Project Phase III and all structural additions thereto shall remain in the Corporation during the term of this lease. Title to all fixtures added to Project Phase III pursuant to section 6 of this lease and to all personal property placed in or about Project Phase III by the District shall remain in the District.



SECTION 20. *Abatement of Rental.*

The rental shall be abated proportionately, during any period in which by reason of any damage or destruction (other than by condemnation which is hereinbefore provided for) there is substantial interference with the use and occupancy of the Demised Premises and Project Phase III by the District, in the proportion which the initial cost of that portion of the Demised Premises and Project Phase III rendered unusable bears to the initial cost of the whole of the Demised Premises and Project Phase III. Such abatement shall continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction. In the event of any such damage or destruction, this lease shall continue in full force and effect and the District waives any right to terminate this lease by virtue of any such damage or destruction.

SECTION 21. *Law Governing.*

This lease shall be governed exclusively by the provisions hereof and by the laws of the State of California as the same from time to time exist.

SECTION 22. *Notices.*

All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered or certified mail, return receipt requested, postage prepaid, and, if to the Corporation, addressed to the Corporation in care of the San Diego Unified School District, Education Center, 4100 Normal Street, San Diego, California 92103, or, if to the District, addressed to the District in care of the Deputy Superintendent—Administration, San Diego Unified School District, Education Center, 4100 Normal Street, San Diego, California 92103, with a copy to the Trustee, or to such other addresses as the respective parties may from time to time designate by notice in writing.

SECTION 23. *Validity and Severability.*

If for any reason this lease shall be held by a court of competent jurisdiction to be void, voidable, or unenforceable by the Corporation or by the District, or if for any reason it is held by such a court that any of the covenants and conditions of the District hereunder, including the covenant to pay rentals hereunder, is unenforceable for the full term hereof, then and in such event this lease is and shall be deemed to be a lease from year to year under which the rentals are to be paid by the District semiannually in consideration of the right of the District to possess, occupy and use the Demised Premises and Project Phase III, and all of the rental and other terms, provisions and conditions of this lease, except to the extent that such terms, provisions and conditions are contrary to or inconsistent with such holding, shall remain in full force and effect.

SECTION 24. *Purpose of Lease; Option to Purchase; Personal Property.*

The District covenants that during the term of this lease, except as hereinafter provided, (a) it will use, or cause the use of, the Demised Premises and Project Phase III solely for public and educational purposes and for the purposes for which the Project Phase III facilities are customarily used, and (b) it will not vacate or abandon Project Phase III or any part thereof.

The District shall have the option to purchase the Corporation's interest in any part of Project Phase III upon payment of an option price equal to the aggregate amount for the entire remaining term of this lease of the part of the total rent hereunder attributable to such part of Project Phase III (determined by reference to the proportion which the construction cost of such part of Project Phase III bears to the construction cost of all of Project Phase III). Any such payment shall be made to the Trustee and shall be treated as Revenues (as such term is defined in the Indenture), and shall be applied by the Trustee to redeem Bonds on the earliest date when the Bonds are subject to redemption pursuant to the provisions of the Indenture. Upon the making of such payment to the Trustee, (a) each semiannual installment of rent thereafter payable under this lease shall be reduced by the amount thereof attributable to such part of

Project Phase III and theretofore paid pursuant to this section, (b) sections 20 and 24 of this lease shall not thereafter be applicable to such part of Project Phase III, (c) the insurance required by sections 7 and 9 of this lease need not be maintained as to such part of Project Phase III, and (d) title to such part of Project Phase III shall vest in the District and the term of this lease shall end as to the portion of the Demised Premises upon which such part of Project Phase III is located and to such part of Project Phase III.

The District, in its discretion, may request the Corporation to sell or exchange any personal property which may at any time constitute a part of Project Phase III, and to release said personal property from this lease, if (a) in the opinion of the District the property so sold or exchanged is no longer required or useful in connection with the operation of Project Phase III, (b) the consideration to be received from the property is of a value substantially equal to the value of the property to be released, and (c) if the value of any such property shall, in the opinion of the Corporation, exceed the amount of \$50,000, the Corporation shall have been furnished a certificate of an independent engineer or other qualified independent professional consultant (satisfactory to the Corporation) certifying the value thereof and further certifying that such property is no longer required or useful in connection with the operation of Project Phase III. In the event of any such sale, the full amount of the money consideration received for the personal property so sold and released shall be paid to the Corporation or, if the Indenture so requires, to the Trustee. Any money so paid to the Corporation or the Trustee may, so long as the District is not in default under any of the provisions of this lease, be used upon the written request of the District to purchase personal property, which property shall become a part of Project Phase III leased hereunder. To the extent required by the Indenture, the Trustee may require such opinions, certificates and other documents as it may deem necessary before permitting any sale or exchange of personal property subject to this lease or before releasing for the purchase of new personal property money received by it for personal property so sold. The Corporation may make any such sale or exchange as it may deem proper, subject to the terms of the Indenture.

SECTION 25. *Waiver.*

Failure of the Corporation to take advantage of any default on the part of the District shall not be, or be construed as, a waiver thereof, nor shall any custom or practice which may grow up between the parties in the course of administering this lease be construed to waive or to lessen the right of the Corporation to insist upon performance by the District of any term, covenant or condition hereof, or to exercise any rights given the Corporation on account of such default. A waiver of a particular default shall not be deemed to be a waiver of the same or any subsequent default. The acceptance of rent hereunder shall not be, or be construed to be, a waiver of any term, covenant or condition of this lease.

SECTION 26. *Net Lease.*

This lease shall be deemed and construed to be a "net lease" and the District hereby agrees that the rentals provided for herein shall be an absolute net return to the Corporation, free and clear of any expenses, charges or setoffs whatsoever.

SECTION 27. *Headings.*

All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this lease.

SECTION 28. *Execution.*

This lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same lease. It is also agreed that separate counterparts of this lease may separately be executed by the Corporation and the District, all with the same force and effect as though the same counterpart had been executed by both the Corporation and the District.



IN WITNESS WHEREOF, the Corporation and the District have caused this lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

SAN DIEGO UNIFIED SCHOOL DISTRICT  
PUBLIC SCHOOL BUILDING CORPORATION,  
Sublessor

By

[Seal]

\_\_\_\_\_  
*President*

ATTEST:

\_\_\_\_\_  
*Secretary*

SAN DIEGO UNIFIED SCHOOL DISTRICT,  
Sublessee

By

[Seal]

\_\_\_\_\_  
*President of the Board of Education*

ATTEST:

\_\_\_\_\_  
*Secretary of the  
Board of Education*

Approved as to form:

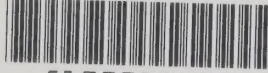
\_\_\_\_\_  
*Schools Attorney*

[EXHIBITS A AND B OMITTED]



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